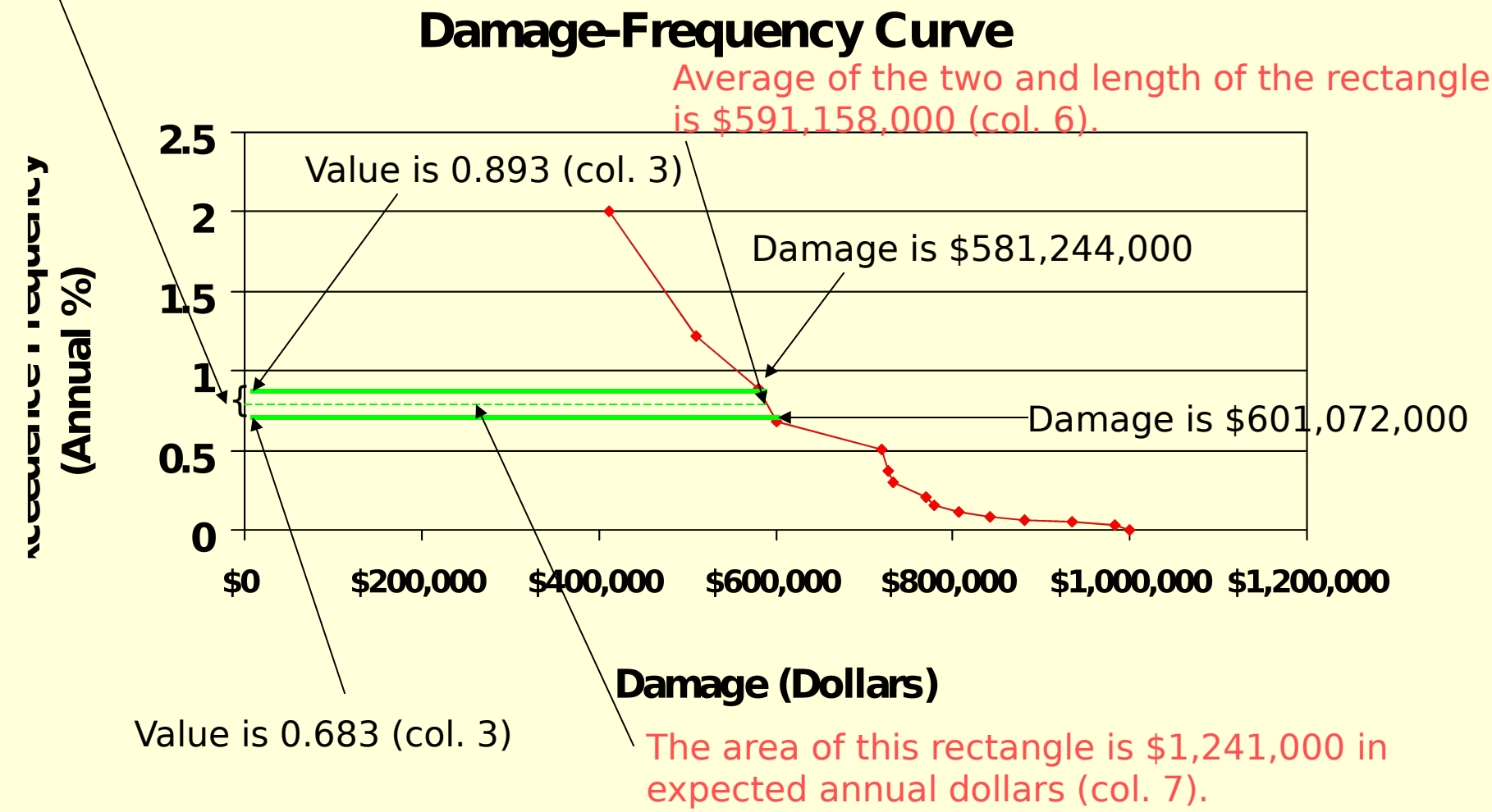
The difference is 0.210 (col. 4). Thus, this rectangle is 0.21% high.
Damage-Frequency Curve
Average of the two and length of the rectangle is $591,158,000 (col. 6).
Value is 0.893 (col. 3)
Damage is $581,244,000
Damage is $601,072,000
2.5
2
1.5
1
0.5
0
$0
$200,000
$400,000
$600,000
$800,000
$1,000,000
$1,200,000
Damage (Dollars)
Value is 0.683 (col. 3)
The area of this rectangle is $1,241,000 in expected annual dollars (col. 7).

And so on

- Imagine repeating this as many times as necessary to estimate the area under the entire curve
- The smaller (And more numerous) the rectangles the better the estimate of expected annual damages
- Add up all the column 7 rectangles to obtain column 8’s cumulative expected annual damages

EAD—The Area Under the Curve

- Begin with a damage-frequency curve
- Calculate the area under the curve by inscribing rectangles
  - Calculate area of rectangle
  - Add up all the rectangular areas
- More sophisticated algorithms are used for more precise programs but this example gives you the idea